AMENDED IN ASSEMBLY JUNE 26, 2006 AMENDED IN SENATE MAY 9, 2006 AMENDED IN SENATE APRIL 27, 2006 AMENDED IN SENATE APRIL 19, 2006

SENATE BILL

No. 1548

Introduced by Senator Murray

February 23, 2006

An act to amend Section 23357.4 of add Section 25503.55 to the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 1548, as amended, Murray. Alcoholic beverages: tastings.

The Alcoholic Beverage Control Act authorizes any person holding a manufacturer's agent's, rectifier's, importer's, or wholesaler's license to give away samples of the alcoholic beverages that are authorized to be sold under that license. Existing law provides that a retail license does not authorize the furnishing or giving away of any free samples of alcoholic beverages.

The Alcoholic Beverage Control Act permits an on-sale retail licensee of wine or distilled spirits to instruct retail consumers regarding wine or distilled spirits. Under existing law this instruction may include the furnishing of up to 3 tastings of wine or distilled spirits, in limited quantities, to any individual in one day.

This bill would additionally permit beer manufacturers and beer and wine wholesalers to instruct consumers regarding beer, respectively. This bill would allow the instruction to include the furnishing of tastings under specified conditions. This bill would limit the amount of instructions that include tastings per year and require SB 1548 -2-

the beer manufacturers and beer and wine wholesalers to maintain a record of each instruction that included tastings for 3 years.

This bill would additionally provide that the failure to comply with these requirements shall be a presumed violation of specific tied-house restrictions within the Alcoholic Beverage Control Act. By expanding the definition of an already existing crime, this bill imposes a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law authorizes an incorporated beer manufacturer's trade association to conduct beer tastings on behalf of one or more licensed manufacturers for groups of individuals unaffiliated with a sponsoring nonprofit organization, provided that the participants do not exceed 100 in number at a beer tasting event.

This bill would increase the number of participants at a beer tasting event from 100 to 200, for purposes of the above provision.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 25503.55 is added to the Business and 2. Professions Code to read:
- 2 Professions Code, to read:
 3 25503.55. (a) A beer manufacturer or a beer and wine
- 4 wholesaler may instruct consumers or conduct courses of
- 5 instruction for consumers, on the subject of beer, including, but
- 6 not limited to, the history, nature, values, and characteristics of
- 7 beer, and the methods of presenting and serving beer. A beer 8 manufacturer or a beer and wine wholesaler may conduct such
- 9 instructions at the premises of a retail on-sale licensee
- 9 instructions at the premises of a retail on-sale licensee 10 authorized to sell beer.
- 11 (b) The instruction of consumers regarding beer may include 12 the furnishing of tastes of beer to an individual of legal drinking
- 13 age. Beer tastes shall not exceed eight ounces of beer per person.
- 14 The tasting portion of a course of instruction shall not exceed
- 15 one hour at any individual licensed retail premises. Tastes of

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beer may not be served to a consumer in their original container but must be served in an individual glass or cup.

- (c) All tastes of beer served to a consumer as authorized in subdivision (b) shall be served only as part of the course of instruction and shall be served to the consumer by an employee of the on-sale retail licensee.
- (d) A beer manufacturer or a beer and wine wholesaler may not hold more than ____ courses of instruction per calendar year at any individual on-sale retail licensed premises if the courses of instruction includes consumer tastes of beer.
- (e) A representative of a beer manufacturer or a beer and wine wholesaler must be present and authorize any tastes of beer conducted at an on-sale retail licensed premises pursuant to this section. The representative shall be responsible for paying the retailer for the tastes of beer served at any course of instruction. Such payment shall not exceed the retail price of the beer.
- (f) No on-sale retail licensee shall require one or more courses of instruction pursuant to this section as a requirement to carry a brand or brands of any beer manufacturer or beer and wine wholesaler.
- (g) Failure to comply with the provisions of this section shall be presumed to be a violation of section 25500.
- (h) A beer manufacturer and a beer and wine wholesaler shall maintain an individual record of each course of instruction involving tastes of beer for three years.
- SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SECTION 1. Section 23357.4 of the Business and Professions Code is amended to read:

23357.4. (a) Notwithstanding any other provision of this division, an incorporated beer manufacturer's trade association may conduct beer tastings on behalf of one or more licensed beer manufacturers for public educational purposes. Beer tastings

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conducted by an incorporated beer manufacturer's trade association may be conducted for groups of individuals unaffiliated with a sponsoring nonprofit organization, provided that the participants do not exceed 200 in number at any beer tasting event.

No beer shall be sold or solicited for sale in that portion of the premises where the beer tasting is being conducted. Notwithstanding Section 25600, a licensed beer manufacturer may provide beer without charge to an incorporated beer manufacturer's trade association for any tastings conducted pursuant to this section.

- (b) (1) For purposes of this section, "nonprofit organization" does not include any community college or other institution of higher learning, as defined in the Education Code, nor does it include any officially recognized club, fraternity, or sorority whether or not that entity is located on or off the institution's eampus.
- (2) For purposes of this section, "affiliated with the sponsor" means directors, officers, members, employees, and volunteers of bona fide charitable, fraternal, political, religious, trade, service, or similar nonprofit organizations and their invited guests.
- (c) The incorporated beer manufacturer's trade association shall first obtain a permit from the department for each tasting event at a fee equal to the actual cost of issuing the permit but not to exceed twenty-five dollars (\$25) per day.
- (d) The department may adopt rules and regulations as it determines to be necessary for the administration of this section.